

<b>DEPARTMENTAL REGULATION</b>		Number: 2130-005
SUBJECT: Debt Collection - Use of Credit Reporting Agencies	DATE: September 8, 1986	
	OPI: Office of Finance and Management	

1 PURPOSE

This Regulation requires agencies to establish procedures for the use of credit reporting agencies.

2 AUTHORITIES AND REFERENCES

This Regulation supplements the Federal Claims Collection Standards (4 CFR Parts 101-105; 49 F.R. 8889), and must be read with the Standards and the statutory and other authorities cited below.

- a Debt Collection Act of 1982, 31 U.S.C. 3711(f)
- b Privacy Act of 1974, as amended, 5 U.S.C. 552a
- c OMB Circular A-129, Managing Federal Credit Programs

3 DEFINITIONS

Credit Reporting agency: Any firm which has an agreement or contract with the Department or the General Services Administration (GSA) to provide credit reporting services. A list is available from the Office of Finance and Management or GSA.

4 REPORTING DEBTS

- a Agencies must report all commercial debts and all delinquent consumer debts to credit reporting agencies. Agencies need not report foreign debts, or the debts of State and local governments, Indian tribal governments, or other public institutions (OMB Circular A-129).

b Agencies must develop and implement procedures for reporting delinquent debts to credit reporting agencies (4 CFR 102.5(a)).

c Agency procedures must be consistent with the requirements of 31 U.S.C. 3711(f) on disclosure of information to consumer reporting agencies, and 4 CFR 102.3(c) on providing debtors with hearings or review.

d Agency procedures must comply with 5 U.S.C. 552a, the Privacy Act. Appropriate revisions or amendments to systems of records from which information will be provided to credit reporting agencies must be published in the Federal Register before disclosure of debt information begins (31 U.S.C. 3711(f)(1)(A); and OMB Circular A-129).

5 USING CREDIT REPORT INFORMATION

Agencies must develop and implement procedures for using credit reporting agencies, as required by OMB Circular A-129, to obtain information to:

a use in consideration of applications for loans, loan guarantees, contracts, or, grants;

b assess the ability of delinquent debtors to repay their debts; and

c determine other methods of collecting delinquent debts, for example, use of administrative offset.

6 TIMETABLE FOR COMPLETION OF AGENCY PROCEDURES

Agencies must notify the Office of Finance and Management of procedures adopted under this Regulation by October 15, 1986.